

CENTRAL INTELLIGENCE AGENCY

REPORT

~~INFORMATION~~ ~~SECRET~~ REPORT

COUNTRY Germany (Russian Zone)/Poland

**CONFIDENTIAL**

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## 1. Imports from Poland.

Item 1 Anthracite coal 910,000 tons  
Deliveries from Poland will materially assist in supplying the needs of the zone. (Zonal production: 2,850,000 tons annually.) It is imperative that this additional coal be allocated to the railroad so that large quantities of brown coal briquettes may be released for industrial uses.

Item 2 Coke (from anthracite) 170,000 tons  
To be used mainly for metallurgical purposes.

50X1-HUM

Item 3 Lignite 4,000,000 tons

Item 4 Benzol 10,000 tons

Item 5 Naphthalene 500 tons

Item 6 Foundry pig iron 30,000 tons  
Demand is about 189,000 tons. Expected production and imports already arranged for total about 120,000 tons; thus this additional iron will be an important factor in satisfying present needs.

Item 7 Vanadium pig iron 2,000 tons  
According to DWK investigation, this is crude iron with a three percent vanadium and titanium content. This will have to be regarded as regular pig iron. Iron for alloying must have at least a thirty-five percent ferrovanadium.

Item 8 Rolling mill products 5,000 tons  
The 5,000 tons can only partially supply the German industrial and SAG demand of 1,000,000 tons annually. Imports from the west: 130,000 tons.

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## CENTRAL INTELLIGENCE AGENCY

50X1-HUM

- 2 -

Item 9 Zinc 1,000 tons  
As there is no production of zinc in the zone at the present time, this is important. The yearly need is 10,000 to 15,000 tons.

Item 10 Zinc dust 200 tons  
This is used only by the chemical industry. Yearly demand about 200 tons: 50 tons for German industry, 150 tons for the SAGs.

## 2. Exports to Poland.

Item 1 Not given.

Item 2 Potassium salt (40% K<sub>2</sub>O) 125,000 tons  
The production of potassium salts by German firms in 1947 was 216,000 tons, and the production by the SAGs was 600,000 tons. The export will have to be met by the SAGs, as the German firms will not be able to cover the needs of the agricultural industry of the Russian Zone, estimated variously at 280,000 tons to 370,000 tons. The price of \$41 as compared with the ceiling price of 112 Marks is favorable.

Item 3 Buna 4,000 tons  
This delivery will be possible, as there is hardly any export to the western zones, and there is little possibility of processing the Buna in the Soviet zone of occupation. The price \$454 is fair when compared with the world market price of crude rubber, but is much less than the sale price to the western zones (4,000 marks).

Item 4 Synthetic gasoline 30,000 tons  
Exclusively from SAG production.

Item 5 Diesel oil 10,000 tons  
Exclusively from SAG production.

Item 6 Timber for mines amount not given

Item 7 Carbide 9,000 tons  
In 1947 German plants produced 23,000 tons, but were not able to supply the 25,000 tons needed by German industry. The SAG Piesteritz and SAG Buna produced 325,000 tons in 1947. This was used for nitrogen production with synthetic rubber as the end product. The German plants could supply this amount of carbide if Poland were to furnish the burnt lime. Actually the most efficient method of meeting the carbide needs would be for the SAGs to divert some of their carbide with a resulting reduction of Buna production. The price of \$108.75 is under the world market price of \$130 c.i.f. Hamburg.

Item 8 Crude phenol 4,500 tons  
The export of the entire industry of artificial resin is not desirable. Only 7,000 tons of the 10,000 needed were available for 1947. The artificial resin production industry was only working at 70 percent of capacity, and the artificial resin manufacturing industry was working only at 30-40 percent of capacity. It would be better to export the finished products, e.g., artificial resin binding, pressing apparatus, and hard paper, instead of the crude phenol.

Item 9 Acetone 150 tons  
Acetone is produced at the Buna plant in Schkopau. Production in 1947 was about 2,000 tons. Acetone is used by the paint industry and in the production of acetylene and artificial resin.

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CENTRAL INTELLIGENCE AGENCY

50X1-HUM

- 3 -

- Item 10 Permutite 250 tons  
Permutite is produced at the Permutit-Werke AG in Puthenow. The average monthly production is 100 tons. The plant is not able to fill its current orders.
- Item 11 Palatine oil 60 tons  
This is produced by the Buna plant at Schkopau, which is not able to supply the demands of the paint industry.
- Item 12 Potash 100 tons  
This is only about 1.5 percent of the annual production of nearly 7,200 tons annually, but it is a heavy drain on the zone, which is not able to meet the potash demands in the glass and soap industry.
- Item 13 Ethyl acetate and butyl acetate each 10 tons  
The users in the paint and pharmaceutical industry are entirely dependent on the production of these chemicals by the Buna plant in Schkopau.
- Item 14 Phthalic acid anhydride 200 tons  
There is no objection to the export of phthalic acid anhydride against the importation of 500 tons of naphthalene.
- Item 15 Paris blue 8 tons  
The yearly production in the lime industry is about 120 tons, which justifies the export. It is used in colored ink manufacture.
- Item 16 Tetralin 30 tons  
This amount can be furnished; however, it is also urgently needed by the railroads and the paint industry. Production is about 140 tons a month at the Deutsche Hydrierwerke Rodleben.
- Item 17 Triphenylphosphate 10 tons  
This amount can be supplied. The production is about 15 tons a month at the Elektrochemisches Kombinat Bitterfeld. This export is against an importation of yellow phosphorus. It is used in the paint industry.
- Item 18 Ethylene glycol 10 tons  
About 25 tons a month are produced at the Buna plant, against a demand in the paint industry of 80-90 tons a month.
- Item 19 Glycol 10 tons  
The production figure at the Buna plant is not known. Glycol is used in the pharmaceutical industry and in the manufacture of explosives.
- Item 20 Mersolate 250 tons  
The average monthly production at the SAG Farben plant Wolfen is estimated at 1,000 tons. Mersolate is used in the soap industry.
- Item 21 Acetylene soot 500 tons  
This amount seems very high when compared with the 250 tons allocated to German industry. The shortage of acetylene soot is particularly noticeable in the rubber industry.
- Item 22 Various chemicals \$ 500,000
- Item 23 Motion picture film \$5,000,000  
The production capacity of the SAGs is not known; presumably the amount can be fulfilled.

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